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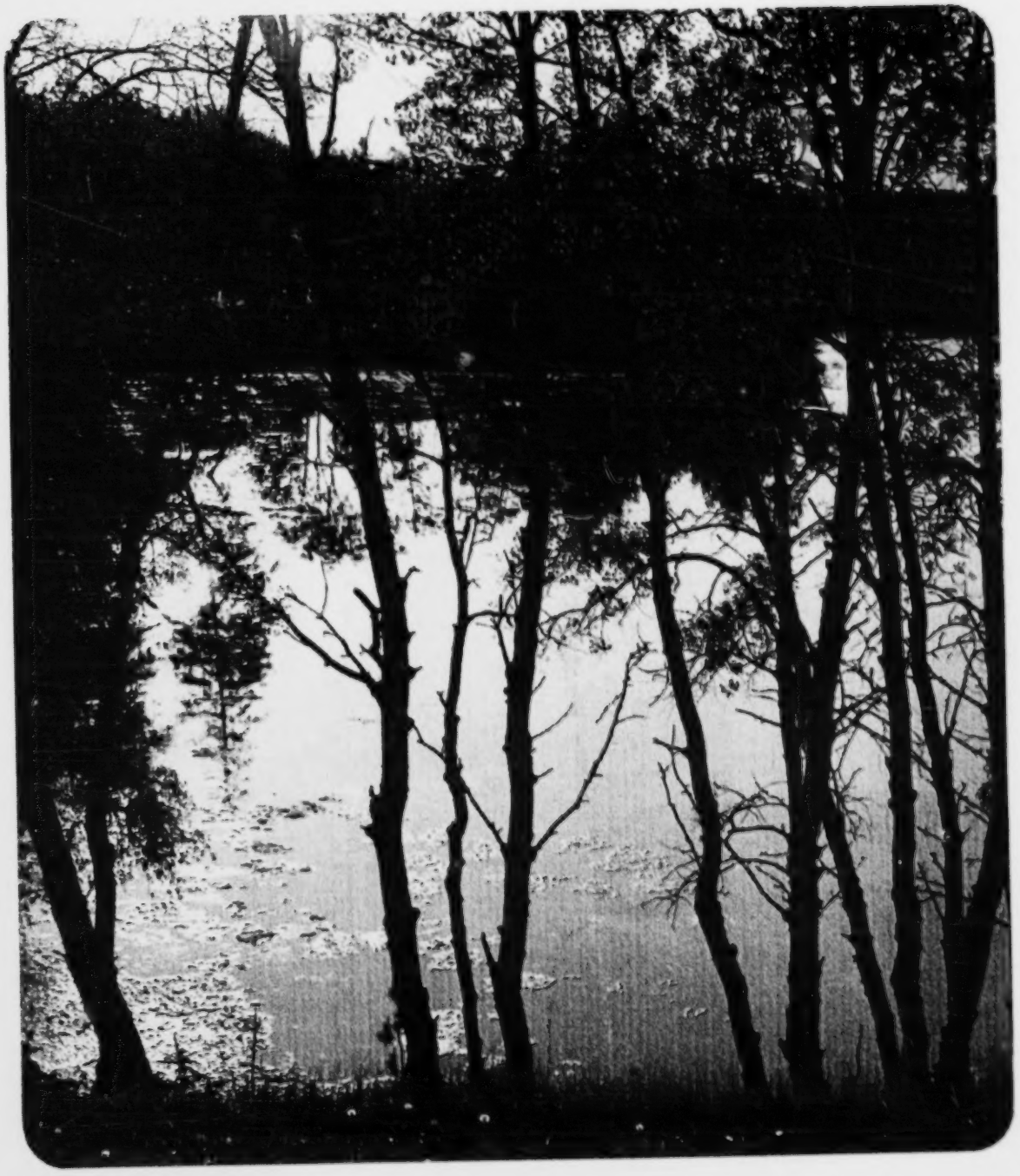

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IN THIS ISSUE

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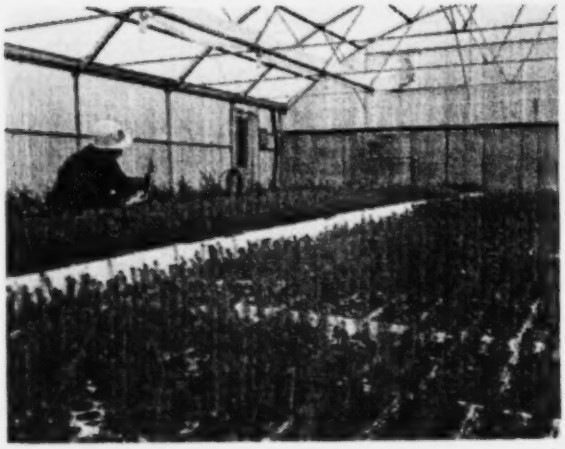

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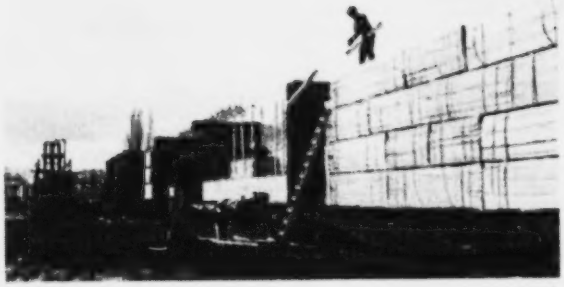

4

1. *Coastal Debris*
2. *The Role of Research*
3. *Building With Logs*
4. *Industry*

ForesTalk WINTER 1974

THE GOVERNMENT OF
THE PROVINCE OF BRITISH COLUMBIA
DEPARTMENT OF LANDS
FORESTS AND WATER RESOURCES
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Policy Statement
The objective of the British Columbia Forest Service, as the forest administrative agency for the government of British Columbia, is to develop and enforce policies which will ensure for all time the proper balance of timber supply, forage production, forest recreation, wildlife protection and environmental preservation on the Crown forest lands of the province.

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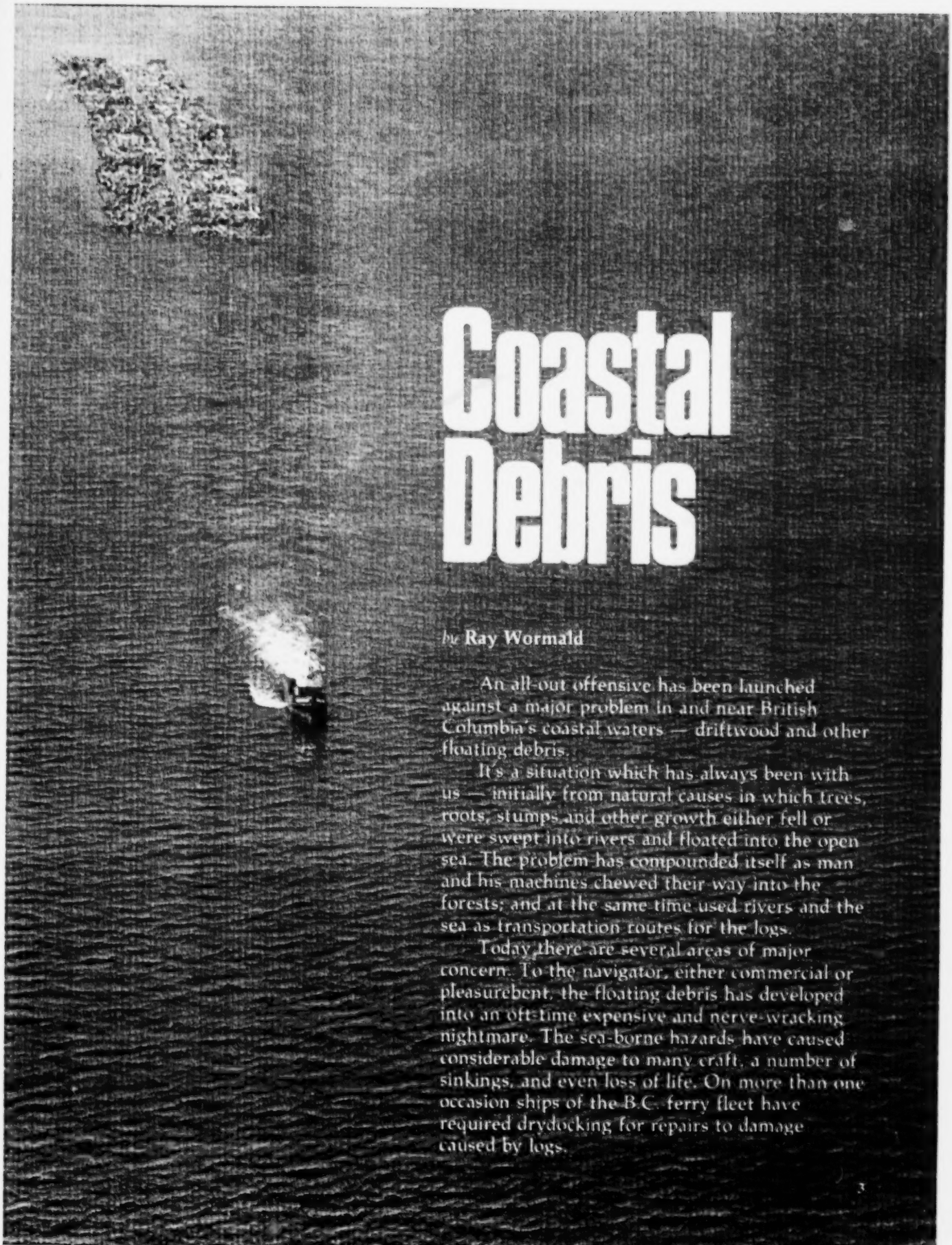


Coastal Debris

by **Ray Wormald**

An all-out offensive has been launched against a major problem in and near British Columbia's coastal waters — driftwood and other floating debris.

It's a situation which has always been with us — initially from natural causes in which trees, roots, stumps and other growth either fell or were swept into rivers and floated into the open sea. The problem has compounded itself as man and his machines chewed their way into the forests; and at the same time used rivers and the sea as transportation routes for the logs.

Today there are several areas of major concern. To the navigator, either commercial or pleasurebent, the floating debris has developed into an oft-time expensive and nerve-wracking nightmare. The sea-borne hazards have caused considerable damage to many craft, a number of sinkings, and even loss of life. On more than one occasion ships of the B.C. ferry fleet have required drydocking for repairs to damage caused by logs.

Most residents who live on or near the coast have become part-time beachcombers. Uses for the accumulated debris range from fuel for fireplaces to furniture and cabins.

The problem of driftwood in coastal waters and on the beaches is also an aesthetic one. To some, a beach without logs is likened to an egg without a yoke. But even they normally frown on a beach completely smothered under logs; and this is common on many of our coastal stretches.

And then, of course, there's the question many people ask: Why isn't all this wood put to some use? And: How did it get there in the first place?

Let's look at the question of its utilization. To begin with, a great deal of driftwood is salvaged and utilized by coastal mills. These are the large, sound and usable logs. Last year alone, British Columbia's 600 licensed beachcombers salvaged an estimated 11.4 million cubic feet of logs valued at around $5 million. These logs, however, are normally "harvested" immediately after a log boom break-up; or are those which have spent little or no time on the shore.

The thousands of logs we see on beaches are not salvaged for commercial use for a number of reasons, according to Frank Brien, an official of the Council of Forest Industries of British Columbia — an organization representing more than 100 lumber and logging firms in the province.

"First and foremost", Mr. Brien explains, "is the fact that sand and gravel get imbedded in the logs and those ingredients and sawmill equipment just don't get along together." For the same reason, he added, such logs are not suitable for chipping.

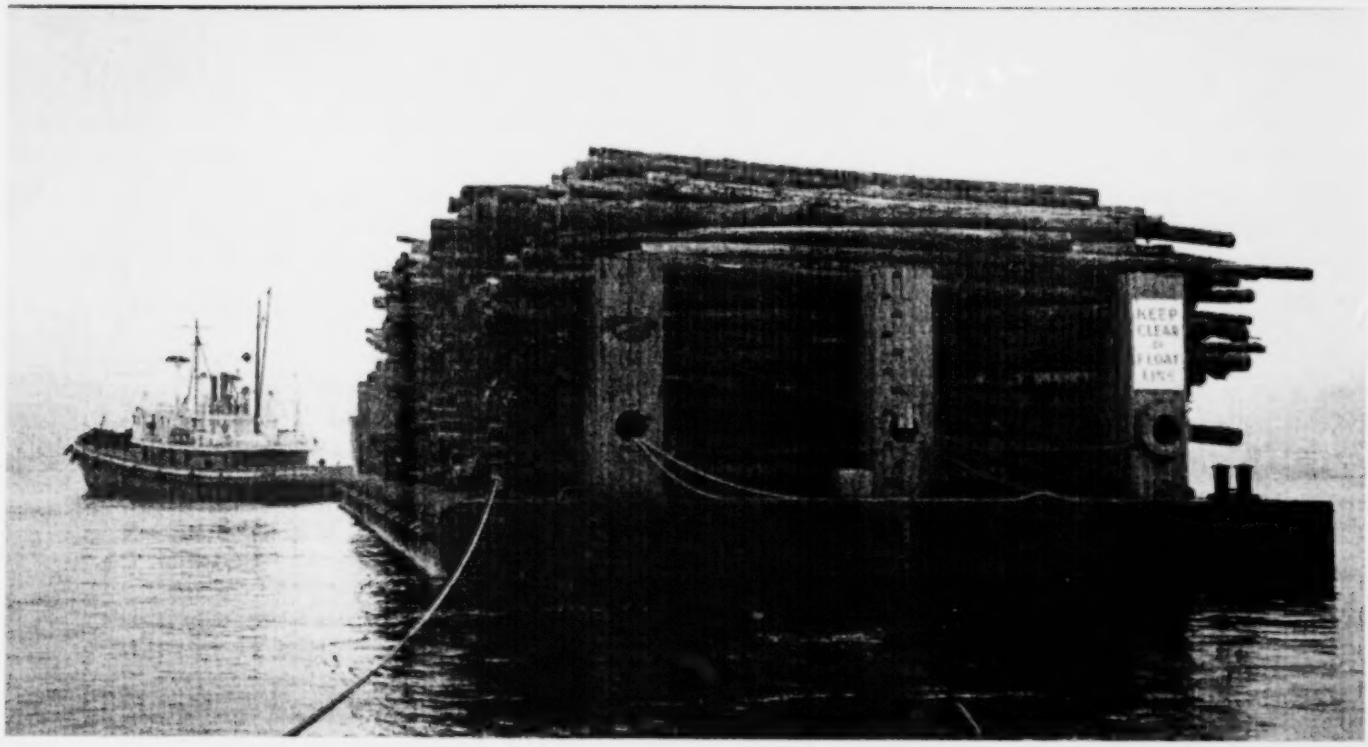
Not everyone agrees with this. Vancouver boatsman L.J. LeFohn reports the existence of a machine used in various U.S. harbours which gathers such debris, and converts the material into chips which in turn are sold. Proceeds reportedly go toward the initial cost of gathering the driftwood.

The B.C. Forest Service is showing increased concern over the driftwood and debris program, and as a result the greatest clean-up program in the province's history is now either in planning stages or actually under way. Because they present the largest problems, the Lower Fraser River, Howe Sound and the Strait of Georgia are priority targets. Also involved in the campaign are the Federal Dept. of Environment, the North Arm and Fraser River Boards, the National Harbours Board, and the Council of Forest Industries of B.C.

In keeping with government requirements and the realization that a large segment of the public was seeking answers and solutions, the forest council formed a "task force" to look into the problem.

Its main objective was summed up in a single sentence: Recommend specific actions to be taken by the forest industry to solve the problem of loose logs and debris in coast waterways.

The special study group conceded that improvements in water transport (of logs) and storage practices were both "necessary and possible". It was also pointed out that gains in log handling methods over recent years had been largely offset by the impact of greater volumes and more small logs



Newer, more efficient ways of transportation help reduce the problem of debris.

resulting from the Forest Service's "close utilization" logging requirements.

While the volume of coast production had increased by 10 percent over the past five years, the report notes, the actual number of logs being handled had increased by 25 percent.

As a result of its studies the task force came up with no less than 29 separate recommendations, and observed that "industry must get tough with itself to solve the problems."

Its recommendations, in summary, urged the need to keep logs out of the water through dryland sorting, scaling, bundling — and where practical, in transportation. The need for greater improvements in log booming techniques and equipment was also stressed. It suggested towing companies accept a greater responsibility in the prevention of log escapes from both booms and log storage areas.

Other recommendations:

—Special attention to hemlock which accounts for a large percentage of "sinkers" (logs which become water-logged and slowly submerge).

—"Lift and lower" log dumps with sufficient power to ease loads into the water without causing log breakup.

—All mills to be equipped to save all logs delivered to them in bundles. No new mills to be built without effective bundle-handling facilities.

—Special attention to barge loading and dumping operations.

—A patrol tug to concentrate on log storage and handling procedures in Howe Sound. More extensive patrols in the Fraser River.

—A stop to cutting logs in the water unless there are adequate means of recovering sawdust and other debris.

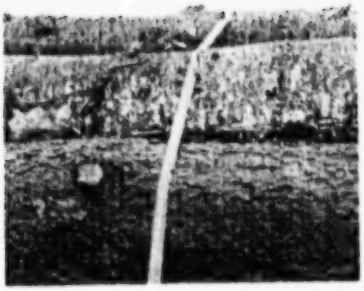
—An expanded program for the collection and utilization of deadheads; and establishment of a debris burning facility in Howe Sound. (There is already a burning site on Iona Island in the north arm of the Fraser River. One recent operation there involved 305 sections of debris being "treated" — with about 1,600 logs recovered and sent to nearby mills and the remainder burned. A section of floating wood debris covers about 5,000 square feet.)

—A "re-look" at the economics of wood waste and debris for power generation "in light of world fuel shortages and rising costs."

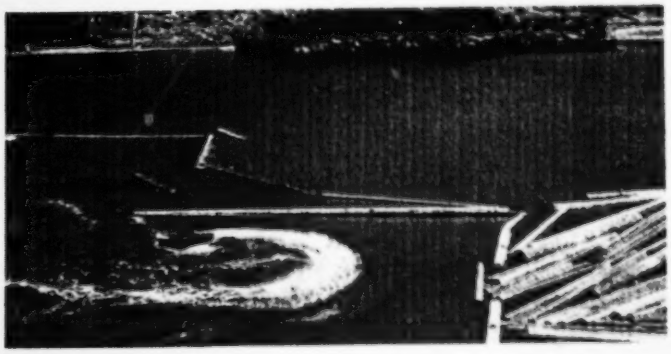
To finance and operate the log patrols, a deadhead utilization facility, debris sweeps and other related activities, the task force suggested formation of a co-operative representing industry and the provincial and federal governments.

In some quarters there is objection to the very make-up of the industry-oriented task force; and also to the suggestion that provincial and federal governments participate in the cost-sharing plan.

"It is difficult to imagine the forest industry being very anxious to find uses for the debris which might compete with the products of their normal



Bundling logs provides 'cleaner' transportation.



Organizing and moving log booms can cause extensive debris problems.

A better way to avoid debris is to ease logs into the water instead of dumping them.

operations," observes Grant Carson, executive director of the North West Log Salvors' Association. He adds: ". . . the Council of Forest Industries' emphasis on burning the debris is understandable".

The same critic suggests that the forest industry should "voluntarily dip into their much publicized record profits of recent years and establish a fund of one or two million dollars to encourage *independent* research into potential uses for forestry debris."

And with regard to the cost of the debris clean-up program, the log salvors' group, in effect, says: Industry is responsible for most of the mess . . . it's up to them to foot the bill to get it cleaned up.

Many of the task force's recommendations (which were finalized early last year) are already in effect. Regular boom inspection patrols in Howe Sound started last summer, and similar patrols were stepped up at the mouths of the Fraser River.

A debris control program was introduced, with the 1974 program costing about $90,000.

The collection of deadheads has been increased; and a temporary experimental burning site was established near Port Mellon in Howe Sound.

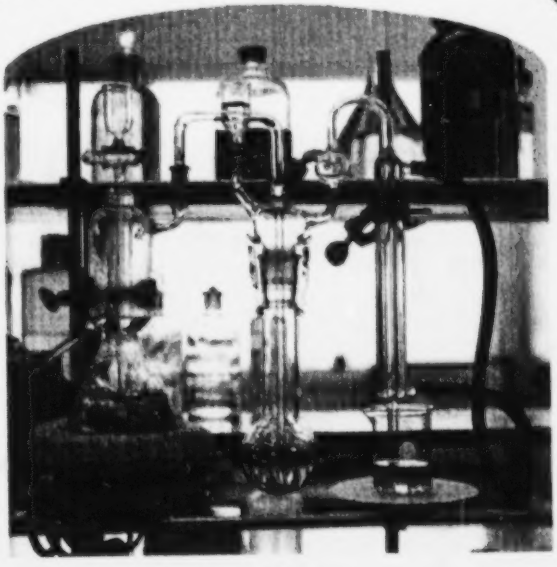
A great percentage of the driftwood and debris found in or on the shores of Georgia Strait originates in the vast stretches of the mighty Fraser River, headwaters of which are thousands of miles away. The B.C. Forest Service has proposed a special log "trap" on the river just west of Hope. To operate during the Spring freshet, the facility would trap thousands of logs and other debris being swept toward the sea. There they would be sorted and either sent to nearby mills or burned. Forest Service engineer David Lawrie said it was also proposed to have a portable chipper at the site.

It has been determined, he said, that some two million cubic feet of logs are swept down the Fraser River each year. Of this, it is estimated that 60 percent of the debris is "man made" (industry), and the balance due to natural causes.

The entire driftwood-debris problem is a big one, and complete solutions won't come quickly. But both government and industry spokesmen are pleased that at long last the principals concerned have met with a common objective and have come up with practical plans.

The situation is improving . . . slowly and surely.

The Role of Research



by **G. Graham**

The forest lands of British Columbia have been used for profitable purposes for around 200 years. But the idea of renewing this resource and maintaining it for present and future users has only been developed during this century. The users of this resource have learned that nature alone cannot possibly contend with man's exploitation. Therefore, the idea of forest management evolved. The philosophy behind forest management is that man must learn the intricacies of the forest and the inter-relationship of all its components and apply this knowledge in an effort to help nature recover from the impact of man's intrusion. The forest is so complex, that man has only touched the surface in his efforts.

In British Columbia, the function of developing and managing the forests is the responsibility of the Forest Service. In turn, this department must work alongside other government agencies to understand and plan for the needs of all the users of the forest. There are commercial needs, fish, wildlife, recreation, and present and future urban needs to consider in planning forest use.

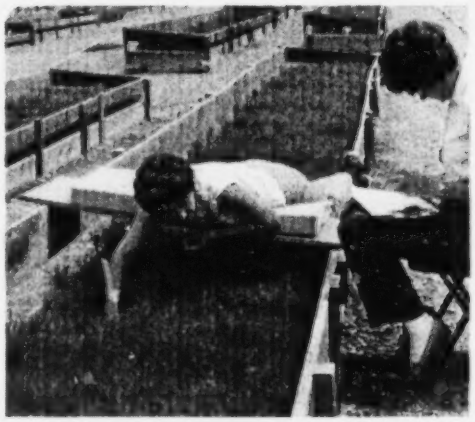
Aside from the many practical limitations affecting the planning and conduct of harvesting operations, the Forest Service is faced with the task of growing a new crop of trees on each acre that has been logged or destroyed by fires, insects, or diseases. As well, there is a need to produce wood at a maximum growth rate to accommodate increasing commercial needs from existing forest land, allowing considerable acreage to be utilized for other users.

The job of forest management would be quite simple if only one or two tree species grew in an area where the soil and climate were the same throughout and only a few thousand acres were harvested each year.

But to the forest manager, the circumstances in British Columbia represent an exercise in contrasts and frustration. This province has a large variety of commercial tree species growing over a wide range of habitats and varying greatly in soil, topography and climate. There is more climatic variation in this province than in the rest of Canada. One example is annual precipitation, ranging from less than 10 inches in the dry parts of the interior to nearly 300 inches in parts of the coastal forests.

It is not difficult to appreciate the forest managers' task when it is realized that nearly half a million acres is logged every year and there are 127 million acres requiring management.

The Research Division of the Forest Service was established primarily to provide forest managers with some of the knowledge needed to restock the land and regrow an acceptable crop of trees. To this end, research scientists are pursuing investigations of ecological classification, site preparation, seed production, nursery practices, tree improvement and the tending of young forests. The people who are involved in research are professionals who have specialized in soils, genetics, ecology, physiology, biometrics (the application of statistical methods to biological problems) or silviculture. Researchers are supported by technicians who must have a variety of skills in the laboratory and in the field.



Research, by its very nature, is greatly dependent on observation and measurement. In the research division, plots of experimental trees have been established in many parts of the Province to observe and measure their growth and performance with the object of improving forest practices. Other research is taking place in the laboratory, forest nurseries, controlled environmental chambers and in greenhouses. Many aspects of tree improvement and performance are being studied to improve man's approach to the forest resource.

The research division has made considerable progress in the field of tree improvement through breeding studies in coastal Douglas fir. Studies are conducted at the Cowichan Lake Experiment Station near Duncan on southern Vancouver Island. Facilities at the experiment station provide areas where researchers can experiment with their work and observe the results.

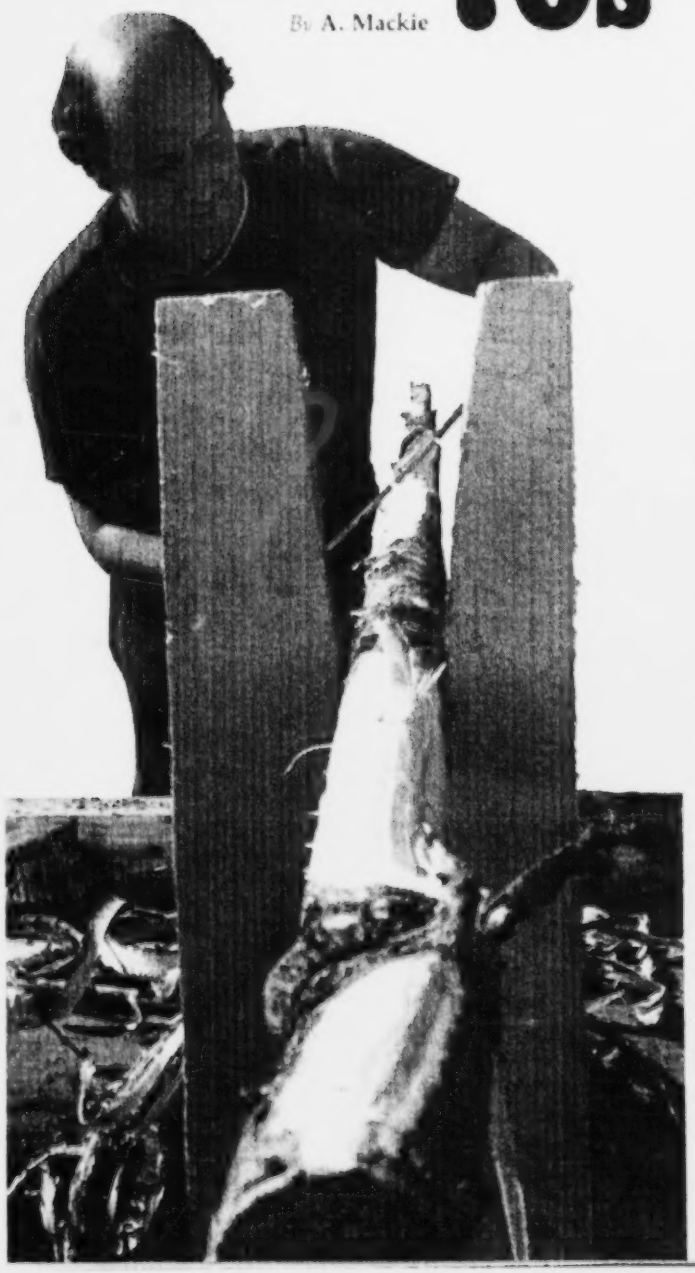
Genetics research started over 20 years ago and the station provides a nursery and greenhouse for this work. The experiment station also conducts tours for groups of foresters, technicians, university and secondary classes and other interested members of the general public. The tours are organized on request and illustrate in layman's terms the complex work and results of research projects. A recent publication describing the station and the work in progress is available upon request from the information division of the Forest Service.

Plans are under way to expand research efforts in other parts of the Province and provide facilities for experimentation. The Red Rock Nursery and Research Centre near Prince George serves as headquarters for researchers who are pursuing investigations in tree improvement on lodgepole pine and in silviculture in several forest types. Another research centre is being established to serve as the focal point for genetics research on interior spruces. The results of work at each centre will apply to the needs of forestry in particular areas of the Province.

Valuable knowledge has been gained from the efforts of the research division, but much more understanding of our forest resource is needed to effectively manage them as a renewable resource. Hopefully new research centres will be afforded in the future to provide knowledge concerning the many other tree species which grow in the bewildering diversity of soils, climate and topography we know as British Columbia.

Building with Logs in the 70's

By A. Mackie



Most people who have long wished for a log house do not get much beyond imagining themselves securely and happily installed behind massive walls with their knees roasting in front of the stone fireplace. This is a perfectly healthy frame of mind that everyone should indulge in once in a while. For those who wish to take their project one step further toward making their long cherished dream home come true, I suggest the following areas of study:

The paperwork

Planning, blueprinting, study of building inspection by-laws, permits, waste disposal, water supply, hydro, cost estimates.

Assembly of materials

Acquisition of suitable property, of good logs, and of all other building materials.

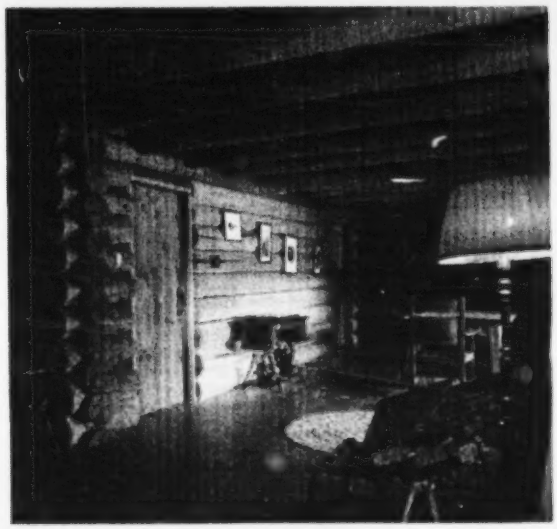
The job of building

Actual erection of the building, from footings to ridge cap to finishing, and the labour, mechanics, and skills involved.

These groupings are not intended to suggest any order of priority or importance but it is possible to see that time spent on the first group will do little to assist in the third group; but that close attention to each of these matters will overcome many problems, pitfalls, and delays in the actual building.

Planning can be a lot of fun and, if you have a flair for design, there is plenty of room for innovation and imagination. Detailed planning in all areas will save much time on the site and produce a much better finished home . . . and this is especially true in respect to electrical access, plumbing, drains, and vents.

Almost any plan can be adapted to log construction but care must be taken to avoid reducing superior solid timber construction to a "ticky-tacky" format. The design should be developed to enhance — in fact, to glory in — the strength of the material. An open timber roof, for instance, is a thing of such rare beauty that a flat boarded-in ceiling should never be considered. Interlocking log partitions are much stronger and more harmonious than lumber partitions. And log beams and trusses are far stronger, more handsome, and cheaper than any factory-built lumber device. Log construction demands that it be used with optimum respect for its superior qualities . . . with the result that a centuries-enduring home of great charm and comfort will be produced.



The building inspector wants two sets of blueprints: one to keep on file and one to return to you with his notations. Most building inspectors are not familiar with log construction and since the National Building Code, on which they rely, has no specific provision for log construction, the builder may find himself dependent upon the good sense of the individual inspector for approval of his house plans. If the inspector cannot comprehend the engineering of the log house, he may ask that an engineer's approval be obtained, at an additional cost to the builder. But ordinarily, building inspections follow the routine procedure as is given to standard frame construction. Contrary to some old wives' tales, there is no region in Canada where log construction is forbidden. Some cities are now welcoming the log house builder with open arms, because of the proven superiority of the homes. In Ontario, the building code is being revised to insert a section to cover log construction but in its preliminary wording, it is a most ambiguous guide and again the builder is at the mercy of the individual inspector. Undesirable effects can easily be foreseen if either a very rigid or a very flexible code is written. On the one hand, too strict a code may discourage good ideas. I am certain that hammer beams would never have replaced tie beams in early church roof masterpieces of solid timber construction if a modern building inspector had been on the job. On the other hand, too-flexible a code can lead to arbitrary orders being made on the basis of personal opinion. For these reasons I believe that a private builder should be free to make his own decisions and the inspector who feels good practice is not being followed should give a written opinion which could go on record and be available for the protection of any future purchaser. But the legislation of morality or common sense is too great an undertaking for any regulatory body.

Logs may be acquired from three sources:

1. *Provincial government. (see your nearest Forest Ranger for regulations and availability);*
2. *Private property by arrangement with the owner;*
3. *Logging operators or construction companies working on Crown tenures, right-of-way, or other construction.*

The builder will often have better luck with the smaller operations and, if possible, should make arrangements to go right onto the operation, pick out the trees, and have the loader operator pile them aside for you . . . because non-builders seldom realize all the qualities of a good building log.

Of course, it's always best to get into the woods and harvest the trees personally. And certainly this option should be taken by those who are sufficiently familiar with the proper removal of trees to do it without creating forest havoc. Otherwise, it is preferable and possibly cheaper, in the long run, to buy the logs and have them delivered.

Generally, you will want straight, clean logs 12 to 16" butt diameter, tapering to not more than 8 to 11" dia. at 50 feet. Sizes should be reasonably uniform, i.e., all of 12 to 14" butt dia. for one house, but all of 14 to 16" for another . . . not a mixture of the two. Take particular care to avoid mechanical damage.

Cedar, Douglas fir, pine, and spruce are the better species used in British Columbia. Poplar is an excellent wood, too seldom used in B.C., but used in most of the old log buildings on the prairie. Hemlock, balsam, and alder are also acceptable building logs but their lifespan is considerably less than, for example, cedar.

The quality of the wood is much, much higher if the trees are cut in the dead of winter, when the sap is down. The logs will be a little harder to peel but if handwork is apt to scare the builder he ought to see his friendly mortgage lender and hire a building contractor. Never cut trees in spring when they are swollen with sap for, although the bark does virtually drop off the log, they are ripe for rot, insect attack, and mildew; it saves, in the long run, no time at all.

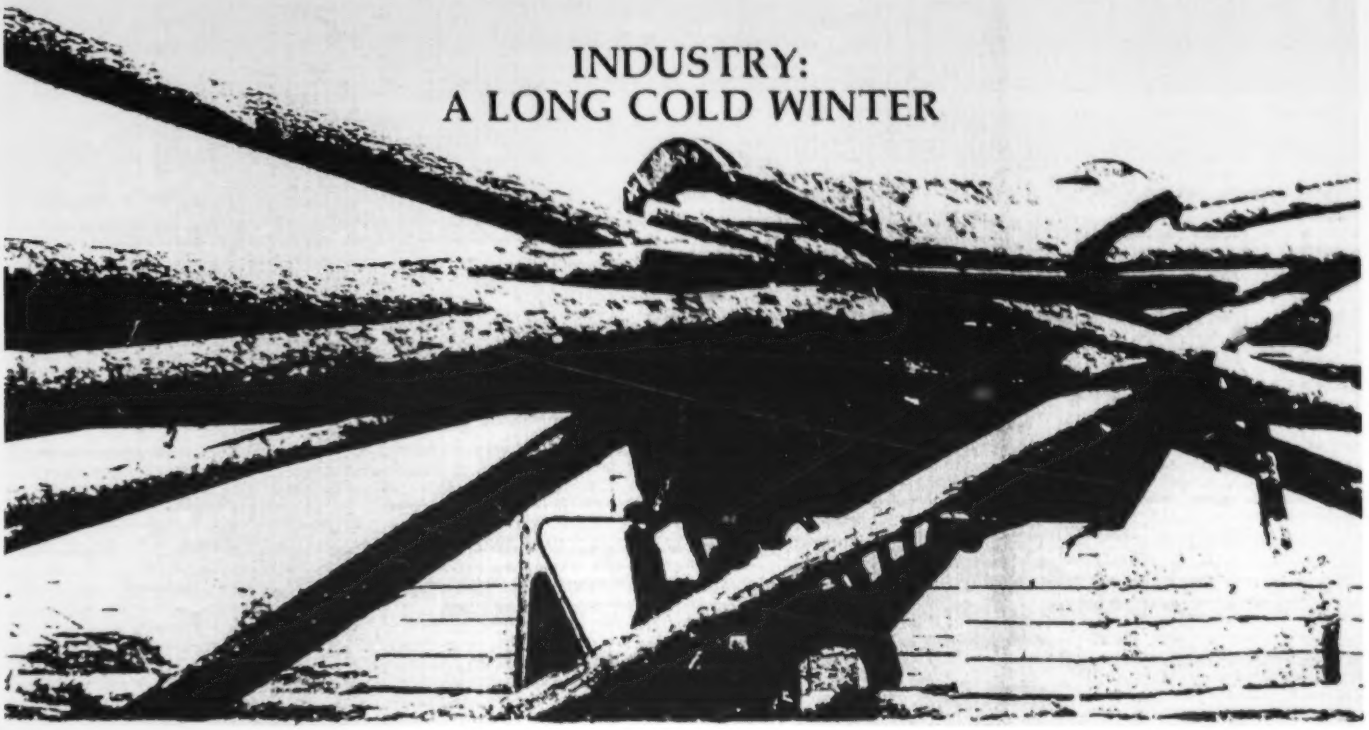
The physical fact of building a log house is not easy. There is great excitement in starting a long-planned dream home. There is also considerable excitement in the conversion of a natural material into a finished house in this direct and immediate way, with the hands and determination of the owners. But the trick is to maintain that high level of pluck and determination from the sill log to the ridgepole. It is entirely possible. I have seen a 70-year-old invalid create a beautiful log building; and I have seen a 14-year-old boy do the same thing. Therefore, an able-bodied, mature man or woman with resources and experience can almost always be successful if his initial concept of superior construction is good, and he doesn't give up too easily.

Log house building is becoming an industry. It is so broadly based, it is not always recognized as such. But there are hundreds of log homes being built, not only in British Columbia and Ontario, but in all regions of Canada, at the present time. This is a labour-intensive industry offering its workers rich rewards not only in cash but also in artistic and community satisfaction. These homes will stand for centuries. Yet they are created with less wood, in the long term, than other houses require. As an industry, log house construction causes no soil pollution, air pollution, or waterway pollution. Forest conservation, as any log builder will verify, becomes part of any person's outlook, once they've lived in, or worked on, a house built of natural logs.

This remarkably accelerated interest in solid timber building is, among other things, a manifestation of a deep respect for the woods, and for conservation and preservation of beautiful timber.

Good information is available to those who wish to build with logs. My own book, BUILDING WITH LOGS, is now in its 4th edition. THE CANADIAN LOG HOUSE, Nos. 1 and 2, are also available. I recommend John I. Rempel's BUILDING WITH WOOD and other aspects of 19th century building in Ontario (U of T press, $25.) and Eric Arthur and Dudley Witney's beautiful survey, THE BARN, a vanishing landmark of North America (McClelland & Stewart, $25.) With these ingredients, we can build not only superior and often debt-free homes, but also a tradition of responsibility toward these forests which are so much a part of our lives in Canada.

INDUSTRY: A LONG COLD WINTER



by **R. Wormald and G. Graham**

The British Columbia forest industry depends largely on world markets for its livelihood, and the world economic situation is anything but healthy. To say the least, this past winter has been a challenge to some of the small independent loggers of the province. To others, it has been disastrous.

Provincial output has fallen from 10.3 billion board feet in 1973, to 8.7 billion in the 1974 calendar year. Projections for 1975 are slightly optimistic, but depend on so many factors that forecasting is anyone's guess.

ForesTalk conducted a survey of the interior, northern and coastal lumber industry this month (April) to find a consensus of experiences, problems and outlook among industry spokesmen, especially the smaller independent loggers.

The Independent

Independent loggers generally consist of single companies producing single products as opposed to integrated companies which operate on a larger scale in many areas of production and own a number of companies who buy and sell among themselves. As well, they direct the price and quality structure for the industry in the province. MacMillan Bloedel, Weyerhaeuser, Can-Cel, and others are examples of integrated companies.

Integrated companies are the main producers and exporters in the forest industry, and for the most part are the only customers for the independents. Therefore, when economic problems strike, the integrated companies are best suited to diversification and general weathering of the storm. The independents must go along with the decisions and the trends. But there is even a further difference between the two. When a decision is made by an integrated company in a remote board room, it can have far reaching economic and social effects on many British Columbia communities and individuals. When the same decisions are made by an independent, he must face those affected by the decision every day in his community. Because of these and other factors, there is a genuine concern for the well-being of the independent logging company.

Retailers and other support industries are feeling the effects.

The Slump

In the best of times, the forest industry is good to those involved. When a slow market forces a tightening of the belt, it comes generally without warning and can ruin an individual or company very quickly. By nature, the forest industry is not static. It is subject to great fluctuations, and luckily, most are prepared for changes as they occur.

This recent slump has lasted for approximately 10 months and is based on the drastic drop in housing starts in Canada, United States (our major customer), Japan and Europe. British Columbia's main wood production is in the form of lumber for housing and since the markets have softened, chip production for the pulp and paper markets has been a lifesaver for industry.

Integrated companies are the main buyers of chips in British Columbia. Prices paid vary according to geographic location and quality of the product. In response to this situation, the Timber Products Stabilization Act was introduced last November to enable government to regulate the price of chips according to industry's needs. The act was also designed to assist

in achieving a fair price and return for the independents, especially those in the interior.

As well, the stumpage rate (a resource royalty paid by all companies) was reduced to the lowest allowable rate of $1.10 per cunit (one hundred cubic feet of wood). The rate will stay in effect indefinitely and will be reviewed monthly until the industry can afford to return to the usual sliding scale of paying royalties. Both the legislation and the lower stumpage are intended to assist the industry as a whole and to reduce losses during the slump. (ForesTalk Winter 1974)

In January of this year under the powers of the act, Resources Minister, Mr. Robert Williams, set the price of chips to the pulp mills (mostly integrated companies) at $35 per unit. (A bone dry unit is 2,000 pounds of chips.) This price affected the interior mills only where the price was considerably lower than on the coast. Another stipulation of the price is that shipping charges (from the logger to the mill) which exceed $10 are to be deducted from the $35 price. Formerly, the price averaged $28 per unit and the shipping charges were absorbed by the purchaser.

As soon as the stabilization act was introduced, its immediate effect was to force the industry to commence a new round of negotiation concerning the price of chips. The general response of industry when interviewed by ForesTalk was that the new negotiations were long overdue, but when the government introduced the $35 price in January, they were already close to this price and some felt that they could have negotiated a better price if given more time. How much time was needed is still a matter of conjecture. Another aspect of the situation is the fact that the pulp market is showing signs of softening due to the great influx of product and because many buyers of paper products in the U.S. have been stock-piling during the past few years and are now planning to reduce their inventories. If negotiations had extended to this spring, perhaps the price would have fallen.

Coping with the Effects

To counteract the effects of the slump, just about every company in the industry cut back in staff and most went to one shift from two in an effort to keep the operation going. However, a great number had to close down anywhere from one week to six months. At the peak of the market

Unemployed labourer, Don Connolly, has decided to spend his time "more constructively" until the markets stabilize.

slump Canada Manpower reported that upwards of 87,000 people were out of work in the province as a direct result of the slowdown. In April, the figure had dropped to 12,000. This statistic alone shows that the industry has shown a great improvement over the winter.

T.C. Kerr, of Lignum Ltd. in Williams Lake, said the new chip rate was fair and "definitely helped us through the winter." His firm, which produces 6½ million feet of lumber and 4,000 units of chips every month, didn't have to lay off any employees. He was thankful for that. He knows all the people on the company payroll by name. "We all live and work in the community . . . it's sort of a family affair."

The increased price in chips was of considerable significance to Weiers Sawmill Ltd. in Quesnel. General Manager David Hopkins said it meant "we didn't have to lay off any one of our 140 people". "If we hadn't received the better price," he added, "we would have had to shut down completely." His firm delivers about 18,000 units of chips per month to the nearby Cariboo Pulp and Paper Co. Ltd.

The story was about the same for most of the independent sawmills throughout the central and northern interior. A spokesman for the northern region said the higher chip price and the lower stumpage rate meant assured survival for "at least 70 percent" of the firms involved.

Many of the independent operators put logs, which otherwise would have been used for lumber, through the chippers. In some cases, even already produced low grade lumber was removed from storage areas and converted to chips.

Companies through the Okanagan, the Kootenays and on the coast experienced cutbacks in staff, but the general consensus of those who were able to stay open was that the lower stumpage rate and the chip price made the difference between staying open and having to shut down.

More Problems

All of this activity, of course, has resulted in tremendous amounts of chips being produced. And as the chip piles grow larger and larger a new and discouraging factor has emerged — the market demand for pulp and paper has started to diminish.

As one sawmill spokesman put it: "We managed to get out of one serious dilemma only to find ourselves smack in the middle of another."

The new problem is prevalent throughout the province, and particularly in the Cariboo area where an estimated $3 million worth of chips are mountained up in storage yards of numerous sawmills.

By early April it was feared that the pulp mills would start to curtail the amount of chips they would receive. By then, Northwood Pulp and Timber Ltd. at Prince George had already indicated to its chip suppliers that it would require only 60 percent of its normal chip supplies.

Close to, and very concerned about the present situation, is Conrad Pinette — a senior partner of Pinette-Therrien Mills Ltd. at Williams Lake, and president of the 23-member Cariboo Lumber Manufacturers' Association. He said there were about 25,000 units of chips piled up in the Williams Lake region, some 20,000 units in the 100 Mile House area, and an estimated 40,000 units in the Prince George district. Under normal circumstances, he claimed, there would be no such inventory buildup at this time of year.

Exports

In an effort to help solve the fast-developing problem, the Cariboo lumbermens' group recently made direct representation to the provincial government asking that permission be given to export the surplus chips. Markets in the United States and Japan were suggested.

This, in theory, sounds just fine. But the proverbial wet blanket is thrown on the whole thing when one

talks with Derek O. Manklow. He's the general manager at Fraser Lake Sawmills Ltd. of Fraser Lake, and also chairman of an organization that calls itself the Northern Interior Lumber Sector which embraces more than 50 sawmills and other forest product companies throughout the northern interior.

This April he returned from a business trip to Japan. His association also has some solid contacts in the United States.

"Right now," he reported gloomily, "neither Japan or the United States want or need any more chips."

Quite a few of the independent operators are openly suspicious of the large pulp mills and their motives. One spokesman, who for obvious reasons did not want to be identified, foresees some changes in the chip price structure.

He made two significant observations: (1) the current $35 per unit price covers only top grade chips; and (2) chips held in storage for any length of time tend to lose much of their fibre value.

His prediction: The pulp companies will agree to purchase the great supply of chips that is now building up, but at a price considerably less than $35 per unit — claiming that storage has lessened their quality.

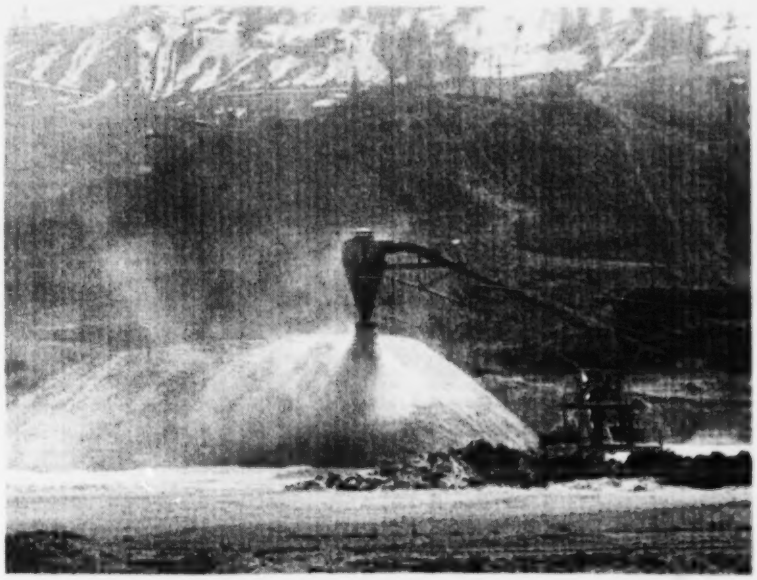
Indeed, it appears the independent sawmill operators are facing a real dilemma. Take the Quesnel region, for instance. Government legislation prohibits the burning of chips in that area. Few, if any, of the sawmills have large chip storage areas. What to do? Some of them are able to use the chips as land-fill . . . but that involves trucking, and that's expensive.

For what consolation it might be, however, it appears there is hardly ever a time when a balance is maintained between supply and demand for the pulp mills of the province.

The Economy

Recent figures from the Federal Government show that the housing situation is in a serious state. Housing starts in urban areas in March were 6,1o5 units, a 54% decline from 13,291 in the same month in 1974. Urban starts in the first three months amounted to 18,271, down from 35,82o in the same period last year.

The operators in British Columbia's forest industry hope that the May budget will bring some federally initiated intervention to stimulate the Canadian housing picture.



Chip production has helped many companies stay alive, but there are indications of a softening pulp market, which in turn will cause new problems for industry.

But Canadian housing will only bring partial relief to British Columbia if Ottawa moves to improve the problem. The industry still needs a massive economic upswing in the United States to solve the situation. Some of the people interviewed are optimistic about this prospect. They are hoping that with the U.S. bicentennial and an election on the horizon, the economy will be improved, even if artificially. Others think this is only hopeful thinking and that the world economic powers will have to work together before relief will come.

The soft market has caused a few complete shutdowns.

Another Dilemma

The immediate problem to be faced by industry is the 1975 round of labour negotiations. International Woodworkers of America, Pulp Paper and Woodworkers of Canada, and the Canadian Paperworkers are, and will be, negotiating this summer for new contracts. Last year, IWA received parity with the pulp workers and there is a fear that this year the pulp workers will attempt to achieve the historical position of higher wages than the other workers. Another factor which is feared this year is the high settlements achieved by most service workers outside of the industry and the thinking is that the forest industry will be faced with some staggering settlements.

Most agree that the industry has some catch-up to do in wages, but with the market situation and the fact that overhead cannot be passed on in international marketing, the negotiations will be injurious if some responsibility is not shown on both sides.

In all, the forest industry in British Columbia, by its very nature, defies any simple guideline or solution to bring order and smooth operation back into being. Hopefully, the worst has past. But, after surviving this long and cold winter, there are many people who work in the industry who feel the summer might be long and hot.

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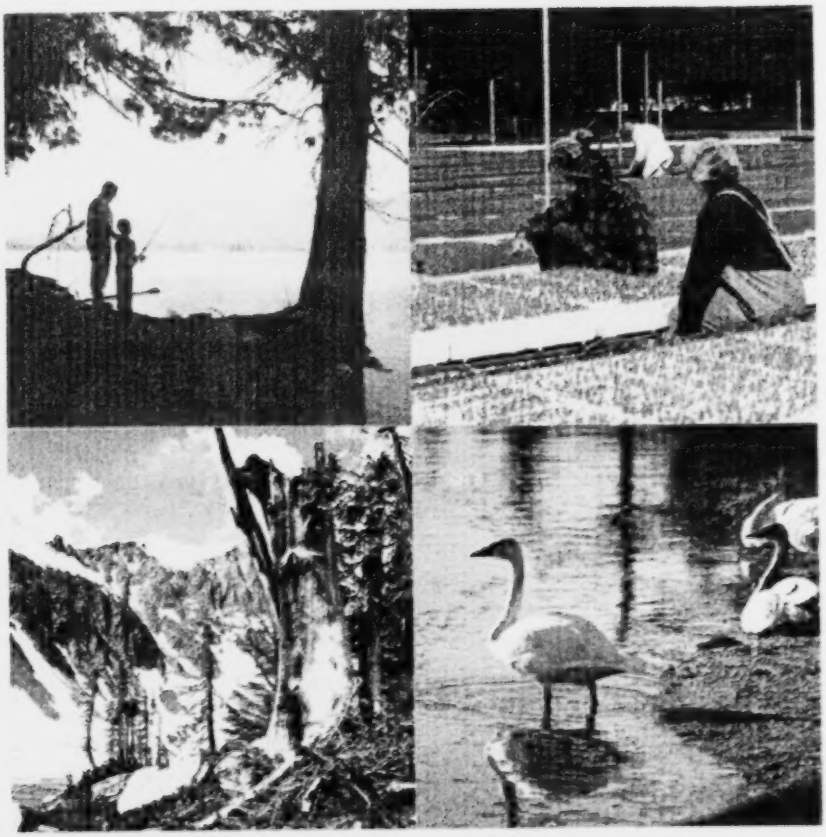

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